



Equipment and Inventory

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Summary: Document includes the federal definition of equipment and responsibilities of the district regarding equipment.

Equipment Definition

Every local educational agency (LEA) should have an approved definition of equipment. If there is none, the federal definition applies as follows: equipment is any tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5000 or more per unit. (34 CFR 80.3)

The LEA definition for equipment can be more restrictive than the federal definition but it cannot be less restrictive.

The LEA must use the same definition for all equipment including but not limited to equipment used by nonpublic schools. The LEA cannot apply a more stringent standard for federal programs.

Equipment Inventory (34 CFR 80.32)

The LEA must maintain an inventory of equipment purchased with federal grant funds until disposition takes place.

The inventory records must include:

- Description of the item;
- A serial number or other identification number;
- Funding source of the item (name of funding title/grant);
- Name of holder of title;
- Acquisition date;
- Acquisition cost;
- Percentage of federal participation in the cost of the item;
- Location of the item;
- Use and condition of the item, and;
- Any ultimate disposition data including date of disposal and the sale price of the item.

A physical inventory and reconciliation with records is required every two years. Also, an inventory control system and equipment maintenance procedures must be implemented.



Disposition of Equipment (34 CFR 80.32)

Equipment may be disposed of with no obligation to the federal government, if ALL of the following criteria are met:

Equipment is no longer needed in the current program.

Equipment is not needed in other programs currently or previously funded by a federal agency.

Equipment item has a current per-unit fair market value of less than \$5000.

If the LEA disposes of equipment with a fair market value of less than \$5000, the proceeds must be used to support the program that the equipment was purchased for. If the fair market value is more than \$5000, the LEA must contact NDE, Federal Programs Consultant, for disposition instructions.

Equipment Records Retention (34 CFR 80.42)

Records for equipment acquired with federal funds must be retained for three years from the date the LEA submits the final expenditure report for the funding period. If there is an audit exception, the LEA must keep the records for three years from the resolution of that audit.